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REPORT OF THE COMMISSION ON ITS TWENTY-SIXTH SESSION

Draft report

Addendum

Rapporteur: J. A. MWANIKI (Kenya)

Chapter ___. NATIONAL ACCOUNTS AND BALANCES

Links between the System of National Accounts (SNA) and the System of Balances of the National Economy (MPS)

1. The Commission considered item 4 (c) of its agenda at its 441st meeting, on 6 February 1991. It had before it the report of the Secretary-General on the meeting of the Expert Group on the Reconciliation of SNA/MPS Standards on National Accounting and related activities (E/CN.3/1991/11) and the report of the Secretary-General on the progress made in the harmonization of the System of National Accounts (SNA) and the System of Balances of the National Economy (MPS) (E/CN.3/1991/13).

2. The Commission noted several recent developments referred to in its discussion of item 4 (a) which were of importance for its discussion on the use of SNA in countries in transition.

3. The Commission was pleased to learn of the strong interest on the part of members from countries now or formerly using MPS to introduce SNA in varying degrees of detail. Some members from those countries thought that the integration of SNA and MPS should not be emphasized; rather, the implementation of SNA in transition economies should be the focus of attention. Others considered that efforts should be made to intensify the process of complete introduction of SNA in their statistical practice. In that way there would be a short transitional period

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when both SNA and MPS would be used together. The view was also expressed that, in general, the transition period would be a longer one.

4. Some members noted that combination features from both systems could better reflect economic development. While MPS could trace separately the flows of material goods and non-material services, which was important information for policy formulation in some countries, SNA could show how information on production was related to measures of income and financial concepts. One member expressed the view that a hybrid system combining major aggregates of the two systems within a new integrated framework might be more effective for economic analysis and policy-making in some situations.

5. The Commission agreed that co-ordinated technical co-operation and workshops would be needed to familiarize national accountants in countries in transition with SNA and to facilitate its implementation. Special attention should be given to the development of SNA production accounts, income-generation and distribution accounts, and capital accounts on the basis of statistics now being compiled for MPS. The Commission noted that all of those topics would be covered in the planned handbook on the application of SNA in transition economies.

6. Members from countries now or formerly using MPS expressed their appreciation to international organizations and individual countries for providing financial and methodological support to their efforts to introduce international statistical standards in their countries.

7. The Commission welcomed the proposed re-orientation of work by the Statistical Office of the United Nations Secretariat in the areas of national accounting and other aspects of statistical methodology concerning countries now or formerly using MPS. It agreed that any future work be carried out in the context of on-going methodological work in each substantive field. In other words, the special needs of those countries in national accounts would be part of the on-going work of SNA; similarly, needs in the area of classifications would be dealt with as a part of the work on classifications and so on.

Action taken by the Commission

8. The Commission:

(a) Welcomed recent developments in the field of harmonization of SNA and MPS, and emphasized the need for co-ordinated efforts to introduce SNA in varying degrees of detail in many countries now or formerly using MPS;

(b) Endorsed the planned work on the handbook on the application of SNA in transition economies, which would be carried out in close co-operation between the Statistical Office of the United Nations Secretariat and other organizations participating in the Inter-Secretariat Working Group on National Accounts;

(c) Emphasized that the conceptual and analytical concerns of countries in transition should be taken into account in the revision of SNA;

(d) Endorsed the view that future work by the Statistical Office of the United Nations Secretariat in the areas of national accounting and other aspects of statistical methodology concerning countries now or formerly using MPS, should be carried out in the context of on-going methodological work in each substantive field;

(e) Requested the Secretary-General to submit to the Commission, at its twenty-seventh session, details on the progress made in the application of SNA to countries in transition, as part of the reports on SNA.